



Agenda Item Number: 2005-1-6A

BERNALILLO COUNTY BOARD OF COUNTY COMMISSIONERS

Meeting Date: January 25, 2005

Department: County Manager **Contact:** Thaddeus Lucero, County Manager

TITLE: Amendment to UNMH Lease Agreement

ACTION: Discussion of the proposed amendment to the Lease Agreement for Operation and Maintenance of County Healthcare Facilities

SUMMARY:

Background and Existing Lease:

In 1969 the Regents of the University and the Bernalillo County Commissioners entered into the first Joint Powers Agreement that formalized the arrangement of University Hospital operation and County fiscal control. The County retained title to land, buildings and equipment and agreed to provide property tax revenue for operations and maintenance. The University agreed to provide medical care to indigent County residents. These same conditions were included in the first long term lease in 1978. Several amendments and additional agreements were subsequently approved. These were superseded by a new lease in 1999 that was amended in 2004 to include provisions required for FHA financing of new hospital construction.

The existing lease agreement, like the original JPA, requires the County to provide support for a Hospital and Mental Health Mill Levy for operation and maintenance of the facilities and to pay all revenues to the University. In return, the University is obligated to provide necessary care for medically indigent residents of the County. The lease requires the University to submit "annual total budgets" and audits to the County for the Hospital and Mental Health Center and to provide an annual accounting of mill levy expenditures.

The existing lease agreement also gives the Regents of the University the responsibility to control and manage the hospital through a nine member Clinical Operations Board of which seven members are appointed by the Regents and two are appointed by the County.

Proposed Amendments:

Discussions have taken place between the UNM Board of Regents, UNMH Clinical Operations Board and the Bernalillo County Commission on the following proposed amendments:

- Expanding the governing board from nine to eleven members.
 1. The Regents will have authority to appoint eight of the Board members.
 2. The Commissioners will have the authority to appoint three of the Board members.

- Including one County Commissioner and one Regent on the governing board.
- Providing quarterly reports to the County regarding the number of County patients receiving care in various economic categories including, but not limited to, indigents, those patients using the uniform charge scale, and those on a self-pay status.
- Providing statistics on health care performance to the County including those provided to or received from NCQA, HEDIS, and JCAHO, or like organizations.
- Providing for representatives of the Clinical Operations Board, designated by the Chairperson, to make periodic reports to the Regents at least semi-annually regarding matters of concern.

FISCAL IMPACT

Portions of the land and building occupied by UNMH are leased from Bernalillo County until 2055. In addition UNMH receives and administers \$1 Million per year in County Indigent Funds. Mill Levy funding of approximately \$58 Million per year is provided for the operation and maintenance of UNMH.

STAFF ANALYSIS SUMMARY

COUNTY MANAGER

The amendments provide for changes to improve communication, data collection and accountability. This item is for discussion purposes only. If the Board approves of the proposed changes, the agreement should be submitted to the University for review and the Board of County Commissioners should take formal approval action at a subsequent meeting. TL 1/24/05

LEGAL

These amendments can be effected with the approval of all parties that were signatories to the 1999 Lease. Amendments approved as to form. TDC 1/24/05

FINANCE

See Fiscal Impact

ATTACHMENTS:

1. Lease Agreement for Operation and Lease of County Healthcare Facilities (1999)
2. First Amendment To Lease Agreement for Operation and Lease of County Healthcare Facilities (2004)
3. Proposed Second Amendment To Lease Agreement for Operation and Lease of County Healthcare Facilities